

Purpose and Scope of this Study

Pursuant to a Texas Department of Health (TDH) request to the 75th Legislature for funding substantial renovations to its two hospitals in order to meet Joint Commission for Accreditation of Healthcare Organizations (JCAHO) accreditation, the Texas Legislature has instructed the TDH to develop options for a long-range plan to address inpatient and outpatient needs currently provided by the TDH hospitals. The purpose of this report is to explain appropriate options to the TDH regarding the future operations of the two TDH hospitals, Texas Center for Infectious Disease (TCID) in San Antonio, Texas and South Texas Hospital (STH) in Harlingen, Texas. In the course of developing these options, a number of issues were examined. In accordance with House Bill 1, the General Appropriations Act, this report also addresses the following elements:

- A cost/benefit analysis of the use of the facilities as inpatient and outpatient sites.
- An evaluation of options other than maintaining the hospitals.
- Identification of services currently being provided and the need for those services.
- An evaluation of the Medicaid state plan regarding reimbursement options for the provision of TB services.
- An assessment of the roles and programmatic needs over the next twenty years.
- A study of architectural and engineering issues related to the TDH hospitals as analyzed and reported on by Kennedy Associates, Inc., and Sine and Associates.
- Advice and recommendations of options for the most efficient use of existing sites and facilities.

Additional factors considered in this study include:

- Incidence of TB infection and multiple drug-resistant TB (MDRTB)
- Demographic changes within the state
- Rate of immigration
- Escalation of cross-border traffic resulting from NAFTA
- Developments in methods of managing TB and other diseases treated at TDH hospitals.
- Modifications in health care delivery systems within the public and private sectors.
- Issues regarding Medicare, Medicaid, and other third party payers, focusing on options other than state general revenue for funding service delivery.

Tonn and Associates has worked closely with TDH management and clinical staff to assemble and analyze data, explore alternatives, estimate costs, and develop options. In the course of the analysis, numerous previous studies and related data have been relied upon as described in the appendices to avoid duplicating previous work.